



TRANSPORTATION CABINET


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Michael W. Hancock, P.E.
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MEMORANDUM

TO: Chief District Engineers

FROM: Cass T. Napier, P.E. 
Executive Advisor
Office of Project Delivery & Preservation

DATE: October 24, 2012

SUBJECT: Sign Installation Charges in OMS

Accounting errors are being created due to the manner in which our accounting and tracking programs are written and due to reorganizational changes. These errors create budget concerns which need addressing. The 2004 reorganization fundamentally changed how the cabinet considered several tasks. Tasks associated with striping, signs, ITS, and permits were reorganized between maintenance and traffic operations. Maintenance (replacement, straightening, relocating, and etc) of existing signs was moved from a function of traffic to maintenance. Accordingly the labor, equipment, and budget charges for sign installation and other associated items were redistributed between FE04 and FE01. Employees were reorganized into crews where their budget aligned with the reorganization. OMS personnel were resultantly trained that sign reinstallation is a maintenance function and as such it will be charged to FE01.

Time has passed. Several districts have since reestablished sign crews under district traffic supervision; other districts may take this path in the future. These reestablished crews, 216, by definition are funded through the FE04 budget. Their payroll charges have also been budgeted in Crew 216. The result is an inadvertent charge based on OMS programming.

When work orders are created in OMS, charges are generated which debit the project and credit the overhead account for the crew within which the work order was created. Most of the time this results in a "zero-sum" transaction since the project and overhead funding are the same. No money changes accounts and we simply capture detailed information about the precise activity and location of work. However, when a crew does work outside their normal area (such as a different location or functional area) then money will move from the "external" project to the overhead account for the crew. In this way, functional areas are reimbursed when working outside their normal scope of responsibility.

In the cases where the sign maintenance responsibility has shifted back to crews budgeted under FE04 if the work order is charged to FE01 in OMS, the money will move from the district FE01 budget to their FE04 budget. The signs ordered from the sign shop are provided at no charge to the districts, creating a net gain for district FE04.



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Having said the above what should be remembered and followed is:

- OMS personnel should NOT change the function when charging out work orders for sign maintenance. By default, OMS will use the overhead function (FE01 or FE04) for that crew for any work orders created. If OMS work orders aren't changed then a "zero-sum" transaction will occur and money will no longer shift from FE01 to FE04.

Sorry for any confusion, if you have questions please contact Central Office Maintenance.

c: PD&P TEBMs
Engineering Support TEBMs
District OMS Administrators